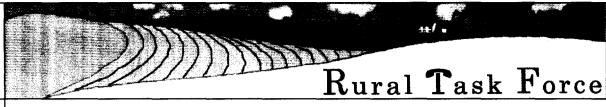
## Chairman:

William R. Gillis

Commissioner, Washington **Utilities Commission** Chandler Plaza Building P.O. Box 47250 Olympia, WA 98504-7250



## Members:

Robert Schoonmaker GVNW Consulting, Inc. Colorado Springs, Colorado

> Carol Ann Bischoff CompTel Washington, DC

David R. Conn McLeod USA, Inc. Cedar Rapids, Iowa

Gene DeJordy Western Wireless Corp. Bellevue, Washington

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Christopher McLean Rural Utilities Service, USDA Washington, DC

> Jack Rhyner TelAlaska Anchorage, Alaska

**David Sharp** Innovative Communication St. Thomas, Virgin Islands

Stephen Ward ME Public Advocate Office Augusta, Maine

The Rural Task Force is an independent advisory panel appointed by the Federal-State Joint Board on Universal Service to provide guidance to the Federal Communications Commission and the Federal-State Joint Board on Universal Service.

December 12, 2000 PARTE OR LATE FILED

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DEC 13 2000

FCC MAIL POUR

Magalie Roman Salas, Secretary Federal Communications Commission 445 12th Street, SW TW-A325 Washington, D.C. 20554

ORIGINAL

Subject: Rural Task Force ex parte response to public comments regarding Rural Task Force Recommendation (CC Docket No. 96-45)

Dear Ms. Salas:

On December 12, 2000, the Rural Task Force sent to the Federal-State Joint Board on Universal Service an ex parte letter urging immediate implementation of the Rural Task Force Recommendation and setting issues aside until a secondphase. Please find enclosed an original and three copies of the documents. We are forwarding an electronic copy on diskette to Sheryl Todd in the Common Carrier Bureau.

Sincerely,

William R. Gillis

Chair, Rural Task Force

Enclosure

No. of Copies rec'd

William R. Gillis Commissioner, Washington **Utilities Commission** Chandler Plaza Building

P.O. Box 47250 Olympia, WA 98504-7250

Rural Task Force RECEIVED

DEC 13 2000

FCC MARL POUM

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Chairman:

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December 12, 2000

Commissioner Susan Ness, FCC Joint Board Chair Commissioner Laska Schoenfelder, State Joint Board Chair

Commissioner Harold Furchtgott-Roth

Martha Hogerty, Public Counsel

Commissioner Bob Rowe

Commissioner Gloria Tristani

Chairman Patrick H. Wood III

Chairman G. Nannette Thompson EX PARTE OR LATE FILED

The Rural Task Force (RTF) transmitted its Recommendation to the Federal-State Joint Board on Universal Service in CC Docket 96-45/(Joint Board) on September 29, 2000. Pursuant to a Public Notice by the Federal Communications Commission (FCC), initial and reply comments have now been put on the public record. As signatories to the Recommendation, we are writing to express our concerns about some of the proposals that have been suggested in those comments.

Of great concern are modifications to the balanced package of reforms recommended by the RTF. These proposals risk undermining consensus and will delay successful implementation of the RTF Recommendations. The proposals have to do with the notion that universal service support for rural carriers should be based on a mechanism different than the RTF-recommended modified embedded cost mechanism. Related to this, there was discussion at the November 13, 2000 Joint Board En Banc hearing in San Diego, California, initial comments filed by the Maine Public Utilities Commission, the Vermont Department of Public Service, and the Vermont Public Service Board, and comments filed November 30, 2000, by RTF Members from Maine and West Virginia, submitted on State of Maine letterhead. If the RTF compromise proposal is not adopted as a whole, or is implemented for less than five years, the fundamental fairness inherent in our telecommunications regulatory process would require that all interested parties have the opportunity to make proposals regarding issues that would otherwise have been settled by the RTF's balanced package. If new options are to be considered by the FCC, at the very least, the RTF recommendation should also be considered in its entirety as one alternative.

It is critical that the Joint Board and FCC keep the momentum and act immediately to support the balanced package of reforms set forth in the RTF Recommendation. Therefore, in light of the comments mentioned, we emphasize support for the sequence of events described in the comments by RTF Members from Maine and West Virginia. Clearly, suggestions which fundamentally alter the RTF Recommendation may be fully considered during the five-year period in which the RTF recommendations are in effect. However, in no event should a new support mechanism be implemented prior to the end of the five year stability period recommended by the RTF. With less than a fine year period, investment in rural areas would be stifled, both by ILECs with the unsure of their investment recovery, and competitors, who need a stable system to make prudent business decisions relative to entering rural markets.

While it is appropriate to consider ongoing reforms to rural carrier universal service support mechanisms and policies that may be beneficial to consumers and investment in rural areas, our extensive experience has been that complex proposals to redistribute universal service support to rural carriers require substantial effort and time to develop to ensure practical implementation. For example, comments by the Vermont and Maine Commissions make suggestions which can only be responsibly considered after substantial analysis and an open process allowing for broad public comment. Descriptions of these proposals, and estimates of the potential cost and implications for companies and states are not delineated on the record, and thus do not allow public opportunity for review and comment.

Five years after the passage of the Telecommunications Act of 1996, it serves the public interest to move forward immediately to implement the balanced package of consensus-based reforms the RTF has developed through two and one-half years of analysis and open process. The members of the RTF believe it is vital to immediately implement RTF Recommendations, and to keep those recommendations in place for a period of five years.

Sincerely,

William R. Gillis

Bill

Chair, Rural Task Force

cc: Federal-State Joint Board on Universal Service and Staff

Chairman William Kennard

Commissioner Michael Powell

Kathryn C. Brown

**Dorothy Attwood** 

Sheryl Todd (with diskette)